to various State Governments. We are happy that now in metropolitan cities, awareness among the citizens has arisen and they themselves have taken some steps. In certain areas of Delhi, it has been restricted by the fact...

श्री शाहिद सिद्दिकी: मैं आपसे यह पूछ रहा हूं कि आपकी मिनिस्ट्री क्या कर रही है?

شری شاہد صدیقی : میں آپ سے یہ پوچھ رہا ہوں کہ آپ کی منسٹری کیا کر رہی ہے؟

SHRI SONTOSH MOHAN DEV: It is not my Ministry's duty to go and do it. We can promote and motivate people. We are doing it. I take your suggestions that more awareness schemes should be started. But, in metropolitan cities, awareness among the citizens is less. The situation, as you said, in Rajasthan is very bad. But the Rajasthan Government is now taking steps and the Central Water Board is helping them and the situation will improve in future.

श्री शाहिद सिद्दिकी: आप दूसरे मंत्रालयों के साथ मीटिंग क्यों नहीं करते। इसके ऊपर एक प्लान तो बनाइए।

شری شاہد صدیقی : آپ دوسرے منترالیوں کے ساتھ میٹنگ کیوں نہیں کرتے۔ اس کے اوپر ایک پلان تو بنایئے۔

MR. CHAIRMAN: Next Question.

Revision of excise duties on LPG based appliances

*284. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received representations seeking reduction in excise duties on LPG based appliances from 16 per cent to 8 per cent;

(b) whether it is a fact that high excise duties on such consumer goods are allowing cheap import destroying thereby the Indian industry;

(c) to what extent Government would rationalize the excise duty structure to ensure that Indian producers are not handicapped by cost — push inflation in production of consumer items like LPG based stoves etc.; and

† [ ]Transliteration in Urdu Script.

(d) the measures proposed to ensure that cheap imports do not harm Indian Industry due to irrational excise taxes?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is placed on the Table of the House.

Statement

(a) Yes, Sir.

(b) Kitchen stoves, in general, including cooking ranges etc. attract 16% excise duty which is the rate applicable on most manufactured goods. However concessional excise duty of 8% has been prescribed for "gas stoves of retail sale price upto Rs. 2000/- per unit". Excise duty incidence on gas stoves thus cannot be considered as high. On imports, gas stoves also attract countervailing duty equal to excise duty, and thus domestic manufacturers get adequate protection.

(c) As gas stoves are covered under the Cenvat Credit Scheme, manufacturers can take credit of excise duty paid on inputs and capital goods. There is thus no need to change the present excise duty of 16% which applies to most manufactured goods.

(d) On imported LPG stoves, peak rate of 15% customs duty is attracted. In addition, such stoves are also subject to countervailing duty (CVD) equal to excise duty leviable on such stoves manufactured domestically.

SHRI V. HANUMANATHA RAO: Mr. Chairman, Sir the Government schedule ensures that the Indian consumer goods made in small scale units get a chance to face competition. Where is the logic of levying the excise duty of 16 per cent on gas stoves and 8 per cent on presure cookers of all sizes? I want not only 8 per cent for all consumer goods, but, in fact, the Government should reduce the excise duty to 4 per cent on all consumer goods made in India. Only then, we will have a chance to face competition. I want to know from the hon. Minister what are the reasons for the Government to have different rates of excise duty for the same category of goods in consumer sector. I would also like to know whether the Government would review such different rates of taxation and help the small-scale industry.

SHRI P. CHIDAMBARAM: Sir, the larger question of tax policy can indeed be discussed when we discuss the Budget and when we discuss

the Appropriation Bills. The present question is limited to LPG based appliances, which really is, LPG kitchen stoves. As I have said, Sir, the schedule rate is 16 per cent, but in respect of gas stoves at retail price up to Rs. 2000, there is a concessional rate of 8 per cent.

[MR. DEPUTY CHAIRMAN in the Chair]

Now, there is the Cenvat rate. I thought, by and large, there is an agreement in this House that the Cenvat rate should be 16 per cent. If the Cenvat rate is 16 per cent, then, all excise duties must, in due course, converge around that rate. But where there are goods of mass consumption and goods which are required by the poorer sections of society, we do give a concession against the Cenvat rate, and it is that concessional rate of 8 per cent which is being applied to kitchen stoves. Now, whether any further rationalisation should be done in respect of kitchen stoves, is a matter, which can only be considered when the Budget is prepared. I shall certainly keep your suggestion in mind.

SHRI V. HANUMANTHA RAO: Sir, my second supplementary would be this. The Government is very considerate towards large industries. Their taxation representations get very good attention. I would like to know whether the Government would give a fair treatment to the small-scale sector and prepare them to face foreign competition by reducing the excise duties to four per cent for all consumer goods made in this country. If not, then why not?

SHRI P. CHIDAMBARAM: Sir, Government needs revenues. Revenues can be collected only through direct taxes and excise duties. The interest from revenue cannot be sacrificed. We do encourage the small-scale sector. There is an excise duty exemption up to Rs. one crore. There is the MODVAT scheme, under which taxes paid at one stage of production are MODVATed against taxes payable at the higher stages of production.

I think it is a wrong assumption that Government is biased in favour of large-scale industry and does not encourage small-scale industry. I think the tax structure in this country is, by and large, favourable to the small-scale industry. But, whether any further liberalisation in the tax rates in favour of the small-scale industry should be done is a matter, which, as I said, could be considered from time to time. Obviously, we cannot have a debate on a tax policy issue during the Question Hour!

SHRI RAVI SHANKAR PRASAD: Sir, my question relates to part (b) of this question. Part (b) of the question says, 'whether a duty structure would, in a way, deter Indian entrepreneurs in the wake of cheap imports.' I hope, the hon. Finance Minister would appreciate that gas connection is getting a wider and wider net now. It is seeping into even mofussil towns, even to the villages, in many parts of the country. As a consequence, the use of stove is going to be on a wider scale.

You have mentioned about giving greater scope for manufacturers to have their goods consumed, and this is an area, which is certainly in the eyes of foreign manufacturers. Therefore, when I look at your reply, in part (b) you only say, the countervailing duty is enough protection. I am afraid, that is not a very fair statement to make, hon. Finance Minister, because in India, the small-scale industry, the manufacture of gas stoves, is being done on a very quality-oriented basis. But certainly, it needs some protection in the light of wider demands.

In addition to this countervailing duty, do you have any other incentives in mind, so that competition is welcome, but the Indian manufacturer is not being swamped by foreign manufacturers?

SHRI P. CHIDAMBARAM: Sir, I have answered in part (d) and maybe, hon. Member's attention was not drawn to part (d). On imported LPG stoves, there is a 15 per cent customs duty. Upon that customs duty, in addition to that customs duty, there is a countervailing duty. Therefore, the level of protection in respect of the stoves would be either 15 plus 8, or, 15 plus 16, that is, 23 per cent or 31 per cent, depending upon the retail price of the imported stove. Now, I think the level of protection of 23 per cent or 31 per cent, as the case may be, is an adequately high level of protection against imports.

SHRI JESUDASU SEELAM: Sir, the hon. Minister has partly answered the question. But I am asking specifically about the consumer goods being imported from China. A large number of consumer goods, including the LPC-based appliances, are becoming cheaper and cheaper. What specific measures are beign taken, because this has reference to a particular country? I am not entering into any debate. I only want a clarification ....*(Interruptions)*.... It is about dumping by China. It is causing lot of difficulties.

MR. DEPUTY CHAIRMAN: It is about consumer goods.

SHRI JESUDASU SEELAM: Yes, Sir, that includes the LPC-based appliances too.

SHRI P. CHIDAMBARAM: Sir, it is true that Chinese goods are coming to the Indian market. It is also true that some Chinese goods, which came to the Indian market in a flood, have disappeared from the Indian market.

The Indian consumer is extremely price-sensitive and quality-sensitive. For example, some time ago, we had batteries coming in here at one or two rupees. But those batteries have virtually disappeared now. We deal with a rush of-imports through various methods. One is customs duty and countervaling duty, which I have already answered. The other is anti-dumping duty. If there is evidence, based upon a complaint and investigation, that any foreign goods are being dumped into India-and 'dumping' is defined in the law—then, anti-dumping duties are imposed. And a number of Chinese goods do suffer anti-dumping duties today. The third is the safeguard duty. If there is a sudden surge in imports, there is another provision of law which allows Government to impose a safeguard duty. These are the various provisions that we have.

I submit, with great respect, that the answer is not in raising the customs duty. On the one hand, we say customs duties must come to ASEAN levels. And, therefore, while customs duty and the countervailing duty are one part of the protection available to Indian maufacturers, there are other legal provisions available to deal with goods which are dumped into India, or, where there is a surge in imports.

Depletion of ground water

*285. SHRI K. CHANDRAN PILLAI: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that the ground water table in all the geographical regions in the country is depleting;

(b) whether uncontrolled sand mining on the river beds is one of the major causes for the unprecedented depletion of ground water;

(c) if so, the details thereof;

(d) whether there is any Central norm/rule pertaining to the mining of sand on the river beds;